

PENSION AND INSURANCE AGREEMENT

BETWEEN

WEST VALLEY ENVIRONMENTAL SERVICES LLC

AND

**LODGE NO. 2401 OF THE
INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS (AFL-CIO)**

2008 PENSION & INSURANCE AGREEMENT

THIS 2008 PENSION AND INSURANCE AGREEMENT (this "Agreement") is entered into by and between WEST VALLEY ENVIRONMENTAL SERVICES LLC ("COMPANY" or "WVES"), and Local 2401 of the International Association of Machinists & Aerospace Workers ("LOCAL UNION"), effective as of August 1, 2008 (the "Effective Date"). WVES and the Local Union hereby agree as follows:

1. Prior Pension & Insurance Agreement. Except as otherwise specifically provided in this Agreement or as plainly required by the context, the terms and conditions as set forth in Articles I, II, III, IV and VI of the Pension and Insurance Agreement between West Valley Nuclear Services Company LLC and the Local Union dated as of October 1, 2005 (the "2005 Agreement") are hereby incorporated by reference and made a part of this Agreement as if such terms and conditions were agreed to by and between the parties hereto under this Agreement, effective as of the Effective Date.

2. Welfare Benefits Plan. For purposes of this Agreement, all references in the 2005 Agreement to "Welfare Benefits Plan" shall be deemed to be in reference to the Washington Government Environmental Services Company Welfare Benefits Plan and/or the West Valley Environmental Services Flex Plan (as applicable), each as currently in effect and as may thereafter be amended or modified from time to time, including the scheduled 2009 modifications in plan design and contribution requirements as summarized in Exhibit A hereto. All use or disclosure of "protected health information" (within the meaning of the Health Insurance Portability and Accountability Act of 1997 (HIPAA)) in connection with the Welfare Benefits Plan shall be subject to the requirements under HIPAA and other applicable state and federal privacy laws.

3. Pension Plan and Savings Plan. For purposes of this Agreement, all references in the 2005 Agreement to (a) "Pension Plan" shall be deemed to be in reference to the West Valley Pension Plan, as currently in effect and as may thereafter be amended or modified from time to time; and (b) "Savings Plan" shall be deemed to be in reference to the Washington Government Services Group Savings Plan, as currently in effect and as may thereafter be amended or modified from time to time.

4. Employee Security and Protection Plan. The Washington Government Environmental Services Company Employee Security and Protection Plan for Union-Represented Employees, as currently in effect and as may thereafter be amended or modified from time to time (ES&PP), shall govern the layoff and permanent job separation benefits of eligible employees.

5. Plan Sponsor. As of the Effective Date, the Company is a participating employer in the Welfare Benefits Plan, Pension Plan, Savings Plan, and ES&PP, each of which constitutes an employee benefit plan sponsored by Washington Holdings, Inc., an affiliate of the Company. As of the Effective Date, the terms of each such plan provides Washington Holdings, Inc. with the authority to amend, modify, or terminate the plan without prior approval or consent by the Company. As of the Effective Date and as of the date of execution of this Agreement, and except to the extent required by law, the Company has no plans to materially reduce or terminate, or cause such material reduction or termination of, any health, retirement, or severance benefits with regard to its employees covered by this Agreement. However, should Washington Holdings, Inc. exercise the authority described above, the Company will strive to negotiate benefits similar in nature and costs with the Union.

6. Term, Modification, Termination

(a) This Agreement shall become effective as of the Effective Date and shall remain in effect until 11:59 p.m. on **July 31, 2011**, and shall thereafter continue in effect from year to year (such succeeding period of one (1) year being sometimes referred to herein as a "contract term"), unless written notice of termination is given as hereafter provided.

(b) If, during the term of this Agreement, the International Association of Machinists and Aerospace Workers shall hereafter be recognized, after lawful certification by the National Labor Relations Board, as exclusive bargaining representative of other bargaining units of Company employees, this Agreement shall, but in no way retroactively, automatically become effective as to such certified exclusive bargaining representative, and the employees represented by it, upon delivery to the Company of the written assent of such representative to this Agreement.

(c) Either the Company or the Local Union may terminate this Agreement as of **July 31, 2011**, or as of **July 31st** in any subsequent contract term, by giving written notice of such termination to the other not more than sixty (60) days nor less than thirty (30) days prior **July 31, 2011**, or **July 31st** of any such subsequent contract term. In the event of

such termination, neither party shall have the right to strike or lock out with respect to any matter covered by this Agreement unless the Collective Bargaining Agreement between the Company and the Local Union, effective August 1, 2008, has also been terminated in its entirety.

(d) The Company and the Local Union agree that neither of them will request consideration of any proposed changes in or additions to this Agreement, unless one party gives written notice of its requests for such changes or additions which is received by the other party not more than sixty (60) days nor less than thirty (30) days before July 31, 2011, or July 31st of any subsequent contract term. Not more than fifteen (15) days following receipt of such written request, collective bargaining negotiations shall commence between the parties for the purpose of considering proposed changes in or additions to this Agreement, including proposed changes in any of the Plans provided by this Agreement which may be submitted by either the Company or the Local Union.

(e) If written notice is given as provided in Section 6(d) above, and the parties do not reach agreement prior to July 31, 2011, or July 31st of any subsequent contract term, with respect to the proposals submitted during the above-mentioned negotiations, this Agreement shall continue in full force and effect (provided written notice of termination has not been given under Section 7(c) hereof) until the tenth (10th) day after written notice is received by either the Company or the Local Union of the other party's intention to terminate this Agreement. In the event this Agreement is terminated pursuant to the provisions of this Section 6(e), neither party shall have the right to strike or lock out with respect to any matter covered by this Agreement unless the Collective Bargaining Agreement between the Company and the Local Union effective August 1, 2008, has also been terminated in its entirety.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of August 1, 2008.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS & AEROSPACE WORKERS
LOCAL 2401**

**WEST VALLEY ENVIRONMENTAL
SERVICES LLC**

Peter B. Cooney, I.A.M.A.W. Business Representative

Toni M. Sawyer, Manager, Human Resources

Michael Atkins, Lodge 2401 Chief Steward

Gary L. Becker, Manager, Industrial Safety

Frank W. Heinen, Lodge 2401 President

Joe W. Ebert, Manager, Head End Cells & Liquid
Waste Cell Building Demolition Prep

John J. Beltz, Negotiating Committee

Tony A. Harris, Manager, Business Services

W. Rob Dallas, Negotiating Committee

Paul D. Hunt, Manager, Waste Management Projects

Charles M. Herod, Negotiating Committee

Karl E. Sanders, Manager, Waste Processing

Jeff H. Singer, Negotiating Committee

David P. Miller, Negotiating Committee